Our Forests have been exploited for war supplies and it has become highly necessary to undertake works of conservation and extensive plantation. A complete temporary re-organisation of this Department to cope with the post-war development scheme was therefore sanctioned in the course of the year. These measures of far-reaching importance in the economic development of the State resources have meant a further expenditure of Rs. 2·84 lakhs over the budget estimate of Rs. 19·73 lakhs.

The Public Health Department had to combat against a terrible out-break of small-pox this year and extensive measures had to be undertaken to arrest its alarming spread and reduce its havoc. Similarly malaria was gradually spreading its tentacles and more anti-malarial measures had to be undertaken in various parts of the State. Thus the budget estimate under Public Health had to be exceeded by Rs. 1·86 lakhs.

The other important variations have been explained in the memorandum and it might be seen that the increases are not the out come of any ineffective control over expenditure, but are the result of the several uncontrollable forces working in the post-war period. It is obvious from what I have explained that the increased expenditure has been incurred mainly.—

to ensure more food and reduce poverty and want,
to combat ill-health by timely preventive measures
to spread literacy by making primary education free in accordance with some of the post-war aims animating the endeavours of the Government.

Schemes of Capital Outlay

The supply of adequate and cheap electric power is a *sine-quo-non* for industrial progress and the Poringalkuthu electric scheme which has been on hand for decades together has now been taken up. A special expert has been appointed to execute the work and it is hoped that rapid progress will be made towards the satisfactory completion of the works.

The scheme of extending the power supplied by the Pallivasal Installation is making headway.

The Anamalai road with its great economic possibilities is making good progress and we expect to spend on its construction Rs. 21·99 lakhs by the end of this year.

A new road work costing not less than Rs. 12 lakhs has been taken up in the very heart of Ernakulam through her most unhealthy swamps and water logs and its completion is expected to improve the Town considerably.

The Fruit and Vegetable cultication in Nelliampathies has been placed in the hands of a Planting expert and the scheme is expected to ensure good returns besides helping our needs in the matter of vegetables, etc.

Based on the findings of the Manu Subedar Committee which examined the possibilities of industrial development in the State an Industrial Development Fund with a nucleus of Rs. 25 lakhs has been constituted this year. This is intended to encourage essential industries that may be started in the State.

Budget Estimates of 1122

I now turn to our programme for the coming year. The budget before you continues to be inflationary as an aftermath of the war and it forecasts for a revenue of Rs. 322·57 lakhs and programmes for an expenditure of Rs. 354·38 lakhs leaving us in a deficit of Rs. 31·81 lakhs. The imperative needs of the post-war situation have left us in a deficit budget and to cover up this deficit we propose to move this House with proposals for additional taxation.

Receipts.—As compared with the revised estimate of Rs. 324·54 lakhs the budget estimate (Rs. 322·57 lakhs) shows a fall of Rs. 1·97 lakhs. The excess Profits Tax has been abolished; the income from tolls disappears with the enactment of the Motor Vehicles Taxation Act and the duty on betel nuts, etc., has been reduced. The other items of Excise Revenue, however, continue to show the inflated income.

The budget for next year is thus mainly an estimate of falling revenues consequent on the cessation of war. It we omit the appropriation of Rs. 25 lakhs from the Revenue Reserve Fund the actual anticipated revenue would only be Rs. 297·57 lakhs thus showing a fall of nearly Rs. 27 lakhs from the revised estimate of the current year. The main items showing decreases are

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